

**REGULATION OF THE FINANCIAL SERVICES AUTHORITY OF THE REPUBLIC OF INDONESIA
NUMBER 38 OF 2024**

ON

**THE AMENDMENT TO REGULATION OF THE FINANCIAL SERVICES AUTHORITY NUMBER
28/POJK.05/2015 ON DISSOLUTION, LIQUIDATION, AND BANKRUPTCY OF INSURANCE COMPANY,
SHARIA INSURANCE COMPANY, REINSURANCE COMPANY, AND SHARIA REINSURANCE COMPANY**

BY THE GRACE OF GOD ALMIGHTY

THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICES AUTHORITY,

Considering:

- a. that in order to increase the effectiveness of the implementation of dissolution, liquidation and bankruptcy of insurance company, sharia insurance company, reinsurance company and sharia reinsurance company, as well as to implement the provisions of Article 50 paragraph (1) and paragraph (2), and Article 51 paragraph (4) of Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector, it is necessary to make adjustments to Regulation of the Financial Services Authority Number 28/POJK.05/2015 on the Dissolution, Liquidation, and Bankruptcy of Insurance Company, Sharia Insurance Company, Reinsurance Company, and Sharia Reinsurance Company;
- b. that based on the considerations as referred to in letter a, it has been deemed necessary to establish Regulation of the Financial Services Authority on the Amendment to Regulation of the Financial Services Authority Number 28/POJK.05/2015 on Dissolution, Liquidation, and Bankruptcy of Insurance Company, Sharia Insurance Company, Reinsurance Company, and Sharia Reinsurance Company.

Observing:

1. Law Number 21 of 2011 on the Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253) as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
2. Law Number 40 of 2014 on Insurance (State Gazette of the Republic of Indonesia of 2014 Number 337, Supplement to the State Gazette of the Republic of Indonesia Number 5618) as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
3. Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
4. Regulation of the Financial Services Authority Number 28/POJK.05/2015 on Dissolution, Liquidation, and Bankruptcy of Insurance Company, Sharia Insurance Company, Reinsurance Company, and Sharia Reinsurance Company (State Gazette of the Republic of Indonesia of 2015 Number 294, Supplement to the State Gazette of the Republic of Indonesia Number 5776).

HAS DECIDED:

To establish:

REGULATION OF THE FINANCIAL SERVICES AUTHORITY ON THE AMENDMENT TO REGULATION OF THE FINANCIAL SERVICES AUTHORITY NUMBER 28/POJK.05/2015 ON DISSOLUTION, LIQUIDATION, AND BANKRUPTCY OF INSURANCE COMPANY, SHARIA INSURANCE COMPANY, REINSURANCE COMPANY, AND SHARIA REINSURANCE COMPANY.

Article I

Several provisions set out under Regulation of the Financial Services Authority Number 28/POJK.05/2015 on Dissolution, Liquidation, and Bankruptcy of Insurance Company, Sharia Insurance Company, Reinsurance Company, and Sharia Reinsurance Company (State Gazette of the Republic of Indonesia of 2015 Number 294, Supplement to the State Gazette of the Republic of Indonesia Number 5776) have been amended as follows:

1. Provisions of Article 1 have been amended, so that it reads as follows:

Article 1

Under this Regulation of the Financial Services Authority, the following definitions are employed:

1. Company is an insurance company, a sharia insurance company, a reinsurance company, and a sharia insurance company.
2. Insurance Company is a general insurance company and a life insurance company as referred to in Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.
3. Sharia Insurance Company is a sharia general insurance company and a sharia life insurance company as stipulated in Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.
4. Reinsurance Company is a company providing services of re-guaranteeing against the risks faced by an insurance company, a guarantee company, or other reinsurance companies.
5. Sharia Reinsurance Company is a company that manages risks based on sharia principles or risks faced by a Sharia Insurance Company, a sharia guarantee company, or other sharia reinsurance companies.
6. General Meeting of Shareholders (Rapat Umum Pemegang Saham), from this point onward is referred to as RUPS, is RUPS as referred to in Law on limited liability company for a Company which is incorporated in legal entity in the form of a limited liability company or equivalent to RUPS in cooperatives legal entity.
7. Board of Directors is the Board of Directors as referred to in Law on limited liability company for a Company which is incorporated in legal entity in the form of a limited liability company or equivalent to RUPS in cooperatives legal entity.
8. Board of Commissioners is the Board of Commissioners as referred to in Law on limited liability company for a Company which is incorporated in legal entity in the form of a limited liability company or equivalent to RUPS in cooperatives legal entity.
9. Sharia Supervisory Board is a board which conducts supervision duty and function as well as providing advice to the Board of Directors in relation to the organization of the Company's activities

- so that they are on accordance with sharia principles.
10. Revocation of Company's Business License is a revocation of Company's business license by the Financial Services Authority because the Company fails to comply with laws and regulations in the insurance sector or is declared bankrupt by the court.
 11. Dissolution of Company, from this point onward is referred to as Dissolution, is the termination process of a Company's legal entity status after the Revocation of the Company's Business License.
 12. Liquidation of Company, from this point onward is referred to as Liquidation, is a settlement action of all Company's assets and liabilities as a result of Revocation of Company's Business License and Dissolution.
 13. Liquidation Team is a team assigned to conduct Liquidation, which is established by RUPS or the Financial Services Authority.
 14. Policyholder is a party who binds oneself based on an agreement to the Company in order to get protection or management against risks for the policyholder, insured, or other participants as referred to in Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.
 15. Insured is a party who faces risks as stipulated in an insurance agreement or a reinsurance agreement as referred in Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.
 16. Participant is a party who faces risks as stipulated in a sharia insurance agreement or a sharia reinsurance agreement as referred to in Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.
 17. Creditor is any party that has receivables or invoices to the Company including the Policyholder, Insured, Participant, or other parties entitled to insurance/sharia insurance benefits and employees of the Company.
 18. Insurance Fund is a pool of funds derived from the premiums established to meet the liabilities arising from policies issued or of insurance claims as referred to in Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.
 19. Tabarru' Fund is a pool of funds derived from the contributions of the Participants, which its usage mechanism is in accordance with a sharia insurance agreement or a sharia reinsurance agreement as referred to in Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.
 20. Tanahud Fund is a pool of funds originating from tanahud contributions, tanahud fund investment proceeds, qardh from company funds to tanahud funds, and/or tanahud funds from reinsurers, the utilization of which is in accordance with the Tanahud Fund grant agreement.
 21. Closing Balance is balance of the Company as of the date of Revocation of the Company's Business License prepared in accordance with the applicable financial accounting standards.
 22. Temporary Balance of Liquidation is balance of the Company as of the date of Revocation of the Company's Business License prepared by the Liquidation Team based on the audited Closing Balance by calculating:
 - a. position of assets based on the value expected to be realized; and
 - b. liability position after the expiry of the time period to file invoices or receivables by Creditors.
 23. Ending Balance of Liquidation is a balance submitted by the Liquidation Team after the Liquidation

process is finished or the end of the time period to conduct Liquidation.

24. Bankruptcy is general confiscation of all wealth of the bankrupt debtor, which its management and settlement is conducted by a receiver under the supervision of supervisory judge.
25. Postponement of Debt Payment Obligation is an application with the intention of submitting a reconciliation plan which includes an offer to partially or entirely pay the debt to Creditors.
26. Investment-Linked Insurance Product (Produk Asuransi Yang Dikaitkan Dengan Investasi), from this point onward is referred to as PAYDI, is an insurance product that at least provides protection against the risk of death and provides benefits by referring to the investment proceeds of the pool of funds specifically created for an Insurance Product whether stated in the form of unit or not in the form of unit.
27. Conflict of Interest is a condition where there is a conflict between economic interest of a Company and personal economic interest of the shareholders or equivalent to shareholders in a legal entity in the forms of cooperatives, members of Board of Directors, members of Board of Commissioners, and/or members of Sharia Supervisory Board.
28. Newspaper is daily newspapers in Indonesian language circulating nationally.
29. Day is a calendar day.
30. Financial Services Authority (Otoritas Jasa Keuangan), from this point onward is referred to as OJK, is an independent institution that has functions, duties, and authority of regulating, supervising, examining, and investigating as referred to in Law Number 21 of 2011 on Financial Services Authority as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector.”

2. Provisions of paragraph (3) letter c of Article 4 have been amended, so that it reads as follows:

“Article 4

- (1) At the latest of 30 (thirty) Days from the date of business license revocation, Company whose business license has been revoked must organize RUPS to decide on the Dissolution and establish a Liquidation Team.
- (2) Members of the Liquidation Team as referred to in paragraph (1) must prior obtain approval from the OJK.
- (3) In order to obtain approval from the OJK as referred to in paragraph (2), the Board of Directors must submit the following documents:
 - a. photocopy of proof of identity of the prospective members of Liquidation Team;
 - b. curriculum vitae of the prospective members of Liquidation Team; and
 - c. statement of prospective members of Liquidation Team that contain, at least:
 - a. willingness to implement the Liquidation in accordance with provisions of laws and regulations.
 - b. commitment to finish the Liquidation in accordance with the period on work plan.
- (4) The documents as referred to in paragraph (3) must be submitted to the OJK no later than 15 (fifteen) Days prior to the implementation date of RUPS.
- (5) The OJK shall give approval or rejection of the proposed prospective members of the Liquidation Team as referred to in paragraph (2) no later than five (5) Days after receiving complete documents.

- (6) If the OJK has not given approval or rejection of the proposed prospective members of Liquidation Team after the time period as referred to in paragraph (5), the OJK shall be deemed to approve the composition of the proposed prospective members of Liquidation Team.
- (7) In the event that the OJK rejects the proposed prospective members of Liquidation Team, the Board of Directors must submit the new proposed prospective members Liquidation Team and submit the documents as referred to in paragraph (3) no later than five (5) Days after receiving notification from the OJK."

3. Provisions of paragraph (1) letter c of Article 6 have been amended and between paragraph (1) and paragraph (2) is inserted 1 (one) paragraph, namely paragraph (1a), so that Article 6 reads as follows:

"Article 6

- (1) If within the time period as referred to in Article 4 paragraph (1) RUPS cannot be held or RUPS may be held but fails to decide the Dissolution and establish the Liquidation Team, the OJK shall:
 - a. decide the Dissolution and establish the Liquidation Team;
 - b. register and notify the Dissolution to the authorized institutions, and announce it in the Official Gazette of the Republic of Indonesia and 2 (two) daily newspapers with wide circulation;
 - c. order the Liquidation Team to implement the Liquidation in accordance with the provisions of Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector and provisions of laws and regulations; and
 - d. order the Liquidation Team to report the result of Liquidation implementation to the OJK.
- (1a) Registration and notification of Dissolution as well as the announcement as referred to in paragraph (1) letter b shall be conducted by the Liquidation Team based on the order of the OJK.
- (2) Actions as referred to in paragraph (1) letter b shall be implemented by the OJK no later than 15 (fifteen) Days from the Dissolution decision date by the OJK as referred to in paragraph (1) letter a.
- (3) The notification and announcement as referred to in paragraph (1) letter b shall contain:
 - a. the Dissolution and its legal basis;
 - b. name and address of the Liquidation Team;
 - c. procedures to file invoices; and
 - d. time period to file invoices.
- (4) The time period to file invoices as referred to in paragraph (3) letter d for a Company incorporated in legal entity in the form of a limited liability company is no later than 60 (sixty) Days after the announcement date as referred to in paragraph (1) letter b.
- (5) The time period to file invoices as referred to in paragraph (3) letter d for a Company incorporated in legal entity in the form of a cooperative is no later than 3 (three) months after the announcement date as referred to in paragraph (1) letter b."

4. Between letter e and letter f of Article 9, 1 (one) letter is inserted, namely letter e1, so that it reads as follows:

"Article 9

The Liquidation Team has the following duties to:

- a. finish matters related to the Dissolution;
 - b. finish matters related to the Company employees;
 - c. conduct settlement of the Company's assets and liabilities;
 - d. submit periodic report and incidental report if necessary to the OJK;
 - e. conduct accountability of the Liquidation implementation to:
 1. RUPS, for Liquidation Team established by RUPS; or
 2. the OJK, for Liquidation Team established by the OJK; and
 - e1. submit a written application to the OJK to update the debtor's report data in the financial information service system in the event that the Company whose business license has been revoked is the one reporting the financial information service system in accordance with Regulation of OJK on the reporting and request of debtor information through the financial information service system; and
 - f. conduct other tasks as may be necessary to implement the Liquidation process."
5. Provisions of paragraph (5) of Article 15 have been amended, and 1 (one) paragraph is added, namely paragraph (6), so that Article 15 reads as follows:

"Article 15

- (1) Implementation of Liquidation by the Liquidation Team must be completed within a maximum period of 2 (two) years since the Liquidation Team establishment date.
- (2) In the event that the implementation of Liquidation is not finished within the time period as referred to in paragraph (1), then:
 - a. RUPS is authorized to extend the time period of the implementation of Liquidation for 2 (two) times the most, where each extension is maximum 1 (one) year for Liquidation Team established by RUPS after obtaining prior approval from OJK;
 - b. OJK may extend the time period of the implementation of Liquidation for 2 (two) times the most, where each extension is maximum 1 (one) year for Liquidation Team established by OJK;
- (3) Application for extension of the time period of the implementation of Liquidation as referred to in paragraph (2) shall at least be completed with:
 - a. the reason of time period extension of the implementation of Liquidation;
 - b. the progress report of the Liquidation process up to the application date with its supporting evidence; and
 - c. work plan and cost budget for the time period extension of the implementation of Liquidation.
- (4) Application for time period extension of the implementation of Liquidation as referred to in paragraph (2) must be submitted no later than 4 (four) months prior to the expiration of the time period of the implementation of Liquidation as referred to in paragraph (1) or the expiration of the first time-period extension.
- (5) In the event that the implementation of Liquidation is not finished within the time period as referred to in paragraph (2) due to a lawsuit or dispute on troubled assets of the Company in Liquidation, the OJK shall wait until there is a court ruling with permanent legal force.
- (6) The OJK is authorized to determine other settlement measures in accordance with provisions of laws and regulations."

6. Provisions of paragraph (2) and paragraph (3) of Article 17 have been amended and between paragraph (2) and paragraph (3), 2 (two) paragraphs are inserted, namely paragraph (2a) and paragraph (2b), as well as the elucidation of paragraph (1) has been amended as set out in the elucidation of article by article, so that Article 17 reads as follows:

“Article 17

- (1) The Appointment of Liquidation Team shall be conducted by considering the integrity, competence, and financial reputation of the prospective members of Liquidation Team.
- (2) Composition of the Liquidation Team shall at least consist of:
 - a. 1 (one) person who has knowledge and experience of at least 5 (five) years in the insurance sector; and
 - b. 1 (one) person who has knowledge and experience of at least 10 (ten) years in the legal, auditing, finance, and/or accounting sector.
- (2a) Members of the Liquidation Team as referred to in paragraph (2) must have certification of competence in the liquidator sector from a professional certification agency registered with the OJK.
- (2b) In the event that the professional certification agency as referred to in paragraph (2a) is not yet available, certification of competence in the liquidator sector may be obtained from other institutions/agencies.
- (3) Fellow members of the Liquidation Team, among members of the Liquidation Team and shareholders or the equivalent of shareholders in cooperative legal entity, as well as among members of the Liquidation Team and supporting staffs of the Liquidation Team or other appointed parties cannot have familial relationship as:
 - a. husband or wife;
 - b. parents and children;
 - c. parents of the husband or wife;
 - d. husband or wife of the child;
 - e. biological sibling/stepsibling; or
 - f. biological sibling/step sibling of the husband/wife.”

7. Provisions of Article 24 have been amended so that it reads as follows:

“Article 24

- (1) In the event that the Company is liquidated, the rights of Policyholder, Insured, Participant or other parties who have the rights on the benefit of insurance/sharia insurance shall have a higher position than the rights of other parties in the division of Company's wealth assets.
- (2) The Insurance Fund of Insurance Company and Reinsurance Company in Liquidation must be used first to meet the liabilities to the Policyholder, Insured, or other parties entitled to the insurance benefits.
- (3) In the event that the Insurance Fund is insufficient to pay all liabilities to the Policyholder, Insured, or other parties entitled to the insurance benefits, the payment of such liabilities shall be made proportionally.
- (4) If after all liabilities to the Policyholder, Insured, and other parties entitled to the insurance benefits

have been met there is excess Insurance Fund, such Insurance Fund can be used to meet liabilities to third parties other than the Policyholder, Insured, or other parties entitled to the insurance benefits.

- (5) The investment fund of PAYDI insurance Policyholder can only be used to pay liabilities to the relevant Policyholder.
- (6) Tabarru' funds and investment funds of a Participant of a Sharia Insurance Company or a Sharia Reinsurance Company in Liquidation cannot be used to pay liabilities other than to the Participant."

8. Provisions of Article 25 have been added 2 (two) paragraphs, namely paragraph (5) and paragraph (6), so that it reads as follows:

"Article 25

- (1) In order to pay the rights of Policyholder, Insured, or Participant as referred to in Article 24 paragraph (1), the Liquidation Team of a life insurance company or sharia life insurance company in Liquidation must strive so that the policy coverage of life insurance or sharia life insurance that is still valid (in force) may continue to be effective by transferring the coverage portfolio to other life insurance companies or sharia life insurance companies.
- (2) In order to transfer the coverage portfolio to a life insurance company or other sharia life insurance companies as referred to in paragraph (1), the Liquidation Team shall first notify such transfer plan to the Policyholder, Insured, or Participant.
- (3) The transfer of coverage portfolio as referred to in paragraph (1) shall meet the following requirements:
 - a. conducted to a life insurance company or a sharia life insurance company that has similar business line; and
 - b. does not cause the life insurance company or sharia life insurance company that receives the coverage portfolio transfer in violation of provisions related to financial soundness that is applicable in insurance industry.
- (4) In the event that the Policyholder, Insured, or Participant refuse to have the coverage transferred to other life insurance companies or sharia life insurance companies, the Liquidation shall return the premium or contribution.
- (5) The transfer of coverage portfolio as referred to in paragraph (1) and the return of premium or contribution as referred to in paragraph (4) shall be conducted according to the remaining coverage time period.
- (6) In the event that the assets of the Company are smaller than the Company's liabilities, the transfer of portfolio of coverage and return of premium or contribution shall be conducted proportionally."

9. Elucidation of Article 26 has been amended as set out in the elucidation of article by article.

10. Provisions of paragraph (1) and paragraph (2) of Article 27 have been amended, so that it reads as follows:

"Article 27

- (1) Proceeds from asset disbursement other than Insurance Fund, Tabarru' Fund, or Tanahud Fund shall be used to pay the Company's liabilities to the Policyholder, Insured, Participant, or other

parties entitled to insurance/sharia insurance benefits, net of outstanding salaries and the cost of Liquidation Implementation.

- (2) Payment of the Company's liabilities to the Policyholder, Insured, Participant, or other parties entitled to insurance/sharia insurance benefits as referred to in paragraph (1) shall be made if the Insurance Fund, Tabarru' Fund, or Tanahud Fund is not adequate to pay all liabilities to the Policyholder, Insured, Participant, or other parties entitled to insurance/sharia insurance benefits.
- (3) Payment of liabilities to Creditors as referred to in paragraph (1) from the proceeds of asset disbursement may be conducted in installments or all at once at the end of the Liquidation period provided that there is no violation of provisions of other laws and regulations.
- (4) Payment of liabilities to Creditors as referred to in paragraph (3) shall prior obtain approval from the OJK.

11. Between Article 27 and Article 28, 1 (one) article is inserted, namely Article 27A, so that it reads as follows:

“Article 27A

- (1) Payment of all Company's liabilities from the proceeds of asset disbursement other than the guarantee fund, Insurance Fund, Tabarru' Fund, or Tanahud Fund shall be made by prioritizing the outstanding salaries, the costs of implementing Liquidation, and the rights of Policyholder, Insured, Participant, or other parties entitled to insurance/sharia insurance benefits.
- (2) The payment to Creditors other than the parties as referred to in paragraph (1) shall be made in accordance with provisions of laws and regulations.”

12. Provisions of paragraph (8) of Article 28 have been amended, so that it reads as follows:

“Article 28

- (1) In the event there is a remaining fund after Liquidation and after payment of all liabilities of the Company in Liquidation, the remaining fund after Liquidation is the rights of the shareholders or equivalent to shareholders in cooperative legal entity.
- (2) The remaining fund after Liquidation as referred to in paragraph (1) may only be distributed to the shareholders or equivalent to shareholders in cooperative legal entity after the end of 2 (two) years period after the Liquidation process has finished.
- (3) Creditors who have not filed invoices to the Liquidation Team as referred to in Article 5 paragraph (4) or paragraph (5) may submit the invoices within a period of 2 (two) years from the Liquidation process has finished as referred to in paragraph (2).
- (4) The invoices as referred to in paragraph (3) shall be filed through the OJK to the shareholders or equivalent to shareholders in cooperative legal entity.
- (5) The OJK may ask competent agency to block the remaining fund after Liquidation that becomes the rights of shareholders or equivalent to shareholders in cooperative legal entity within the time period as referred to in paragraph (2).
- (6) The invoices as referred to in paragraph (3) shall be charged to the remaining fund after Liquidation, which is the rights of the shareholders or equivalent to shareholders in legal entity in the form of cooperatives.
- (7) Based on the request of shareholders or equivalent to shareholders in cooperative legal entity, the OJK may request the competent agency to revoke the blocking of the remaining fund after Liquidation for the amount of the intended invoices to pay invoices that have been verified.

- (8) If:
- a. after the time period as referred to in paragraph (2) ends
 1. there is no invoice filed through the OJK to shareholders or equivalent to shareholders in cooperative legal entity in; or
 2. there is invoice but there is still remaining fund after Liquidation,
 - b. before the time period as referred to in paragraph (2) ends, the Company does not have Creditors.

the OJK shall request to revoke the blocking to the competent agency on the remaining fund after Liquidation to be taken by shareholders or equivalent to shareholders in legal cooperative entity.”

13. Elucidation of Article 29 has been amended as set out in the elucidation of article by article.

14. Provisions of Article 34 have been amended, so that it reads as follows:

“Article 34

- (1) The entire Liquidation Implementation cost listed in the Liquidation cost list shall become the asset's expense of the Company in Liquidation and shall be paid in advance from each disbursement.
- (2) In the event that the Company has no liquid assets other than the guarantee fund, in order to protect the interests of Policyholder, Insured, or Participant, all costs of implementing Liquidation as referred to in paragraph (1) may be charged to the proceeds of the management of the guarantee fund.”

15. Provisions of paragraph (2) of Article 38 have been amended, so that it reads as follows:

“Article 38

- (1) In the event that the Liquidation implementation will end as referred to in Article 15 paragraph (1) and paragraph (2), at least 3 (three) months before the expected end of the Liquidation implementation, the Liquidation Team must announce the last payment date to the Creditors, including the follow-up if the Creditors do not take their rights within the time period up to the last payment date.
- (2) The last payment date as referred to in paragraph (1) is no later than 30 (thirty) Days after the announcement date.
- (3) The announcement as referred to in paragraph (1) shall be made in 2 (two) Newspapers.
- (4) In the event that the Creditors have not taken their rights up to the time period as referred to in paragraph (2), the fund that becomes the Creditors' right will be entrusted to the court or heritage agency in accordance with provisions of laws and regulations.
- (5) The custody of funds as referred to in paragraph (4) is no later than 30 (thirty) Days since the time period of payment as referred to in paragraph (2).
- (6) The Liquidation Team is declared to have implemented liability payment to the relevant Creditors after the funds that become the Creditors' rights that have not been taken yet as referred to in paragraph (4) have been entrusted.
- (7) If within a period of 30 (thirty) years the funds that become the Creditors' rights as referred to in paragraph (4) have not been taken by the relevant Creditor, such funds shall be handed over to the

state treasury.”

16. Provisions of paragraph (1), paragraph (2), and paragraph (4) of Article 39 have been amended, and 1 (one) paragraph is inserted, namely paragraph (5), so that Article 39 reads as follows:

“Article 39

- (1) In the event that the Liquidation Team is established by RUPS as referred to in Article 4 paragraph (1), the Liquidation Team must submit:
 - a. a Liquidation Final Balance that has been audited by a public accountant to the OJK; and
 - b. a duty accountability report of the Liquidation Team to RUPS,no later than 10 (ten) Days after the Liquidation implementation ends.
- (2) In the event that the Liquidation Team is established by the OJK as referred to in Article 6 paragraph (1), the Liquidation Team must submit the Liquidation Final Balance that has been audited by a public accountant and a duty accountability report of the Liquidation Team to the OJK with a copy to the shareholders or equivalent to shareholders in cooperative legal entity no later than 10 (ten) Days after the Liquidation implementation ends.
- (3) The accountability report as referred to in paragraph (1) and paragraph (2) shall at least contain:
 - a. acceptance of the Liquidation results;
 - b. Liquidation cost;
 - c. settlement payment to the Creditors;
 - d. remaining asset of cash of cash equivalent;
 - e. remaining of adverse assets; and
 - f. remaining unsettled liabilities.
- (4) The OJK shall conduct a research on the Liquidation Final Balance submitted by the Liquidation Team for a maximum of 10 (ten) Days from the submission by the Liquidation Team as referred to in paragraph (1) and paragraph (2).
- (5) The OJK shall provide feedback on the result of research from the Liquidation Final Balance as referred to in paragraph (4) to the Liquidation Team.”

17. Provisions of Article 40 have been amended, so that it reads as follows:

“Article 40

- (1) RUPS shall consider opinion of the OJK on the Final Liquidation Balance as referred to in Article 39 paragraph (5) before accepting or rejecting the accountability report of the Liquidation Team established by the RUPS as referred to in Article 4 paragraph (1).
- (2) In the event that the RUPS has accepted the accountability report of the Liquidation Team established by RUPS, RUPS shall:
 - a. request the Liquidation Team to:
 1. announce the end of Liquidation by placing it in the State Gazette of the Republic of Indonesia and in 2 (two) Newspapers;
 2. notify the authorized agency on the termination of the Company's legal entity status;

- and
3. notify the authorized agency, so that the name of the Company is written off from the company register; and
 - b. dissolve the Liquidation Team.
- (3) The action as referred to in paragraph (2) letter a shall be conducted by the Liquidation Team at the latest 30 (thirty) Days since the accountability is accepted by the RUPS."

18. Provisions of paragraph (2) and paragraph (4) of Article 41 have been amended so that they read as follows:

"Article 41

- (1) In the event that the Liquidation Team established by the OJK as referred to in Article 6 paragraph (1) has submitted the Final Liquidation Balance and the accountability report to the OJK, the OJK may decide to accept or reject the accountability of the Liquidation Team no later than 10 (ten) Days since the OJK receives the audit report as referred to in Article 39 paragraph (4).
- (2) In the event that the accountability report of the Liquidation Team has been accepted by the OJK, then the OJK:
 - a. shall request the Liquidation Team to:
 1. announce that the Liquidation has ended by announcing it in the Official Gazette of the Republic of Indonesia and in 2 (two) Newspapers;
 2. inform the authorized agency on the deletion of the Company's legal entity status;
 3. inform the authorized agency, so that the Company's name is deleted from company registration; and
 4. submit all documents of the Company in Liquidation to the OJK.
 - b. shall dismiss the Liquidation Team; and
 - c. shall terminate the Board of Directors, Board of Commissioners, and non-active Sharia Supervisory Board.
- (3) Actions as referred to in paragraph (2) letter a shall be conducted by the Liquidation Team no later than 30 (thirty) Days since the accountability is accepted by the OJK.
- (4) In the event that the OJK decides not to accept the accountability of the Liquidation Team, the OJK may conduct other actions in accordance with provisions of laws and regulations."

19. Between Article 41 and Article 42, 1 (one) article is inserted, namely Article 41A, so that it reads as follows:

"Article 41A

In the event that the Liquidation Team is indicated to have committed fraud or criminal offense in the Liquidation process, the OJK is authorized to report the Liquidation Team to the authorities."

20. Provisions of Article 42 have been amended, so that it reads as follows:

"Article 42

The legal entity status of the Company that is being liquidated shall end since the announcement date of

the end of the Liquidation in the Official Gazette of the Republic of Indonesia as referred to in Article 40 paragraph (2) letter a number 1 and Article 41 paragraph (2) letter a number 1.”

21. Between Article 42 and Article 43, 1 (one) article is inserted, namely Article 42A, so that it reads as follows:

“Article 42A

Since the date of Revocation of the Company's Business License as referred to in Article 2 paragraph (1), shareholders or the equivalent of shareholders in cooperative legal entity must be responsible for every process and implementation of Dissolution and Liquidation.”

22. Provisions of paragraph (2) of Article 43 have been amended and paragraph (3) has been removed, so that Article 43 reads as follows:

“Article 43

- (1) Company that terminates its business activities must first report the plan to terminate the business activities to the OJK.
- (2) Company that reports its plan to terminate its business activities as referred to in paragraph (1) shall be able to finish all of the Company's liabilities including liabilities to the Policyholder, Insured, or Participant.
- (3) Has been removed.”

23. Provisions of paragraph (2) Article 46 have been amended, so that it reads as follows:

“Article 46

- (1) Settlement of the Company's liabilities to all Creditors including Policyholder, Insured, or Participant must not harm or prejudice to the rights of the Creditors including Policyholder, Insured, or Participant.
- (2) In the event that the Company terminates the insurance and reinsurance business activities with sharia principle does not have Participants, the available Tabarru' Funds and Tanahud Funds must be donated to social agency based on the consideration of the Sharia Supervisory Board.
- (3) In the event that the liabilities settlement to the Policyholder, Insured, or Participant is conducted by transferring the coverage portfolio to another Company, the Company must notify the plan to transfer the coverage portfolio to the Policyholder, Insured, or Participant through:
 - a. announcement of the plan to terminate the business activities in Newspaper as referred to in Article 45 paragraph (3) letter b;
 - b. letter to every Policyholder, Insured, or Participant.
- (4) The transfer of coverage portfolio as referred to in paragraph (3) must meet the following requirements:
 - a. does not reduce the rights of the Policyholder, Insured, or Participant;
 - b. transfer to a Company with similar business sector; and
 - c. does not cause the Company that receives the coverage portfolio transfer in violation to the applicable provisions in the insurance industry.”

24. Provisions of Article 49 letter d have been amended, so that it reads as follows:

“Article 49

After all Company's liabilities as referred to in Article 46 are settled, the Board of Directors must submit a report to the OJK which at least contain:

- a. the implementation of the Company's business activities termination;
- b. the implementation of the announcement as referred to in Article 45 paragraph (3) letter b;
- c. the implementation of the Company's liabilities settlement;
- d. the Company's final balance which has been audited by a public auditor; and
- e. a statement letter from the shareholders or equivalent to shareholders in cooperative legal entity which states that all liabilities of the Company have been settled and if there is a claim in the future, it will be the responsibility of the shareholders or equivalent to shareholders in cooperative legal entity.”

25. Provisions of paragraph (2) Article 50 have been amended, so that it reads as follows:

“Article 50

- (1) The OJK shall conduct a study of the report which has been submitted by the Board of Directors as referred to in Article 49.
- (2) Based on the results of the study as referred to in paragraph (1), within a maximum period of 30 (thirty) Days from receiving the complete report, the OJK shall revoke the Company's business license.”

26. Between Article 49 and Article 50, 2 (two) articles are inserted, namely Article 50A and 50B, so that they read as follows:

“Article 50A

From the date of Revocation of the Company's Business License as referred to in Article 50 paragraph (2), the Company shall organize RUPS to:

- a. decide on the Dissolution; and
- b. form a Liquidation Team to:
 1. notify the authorized agency regarding the termination of the Company's legal entity status;
 2. notify the authorized agency, so that the Company's name is written off from the company register; and
 3. implement other affairs related to the process of Dissolution and termination of the company, within a certain period of time until the Liquidation Team is dissolved.

Article 50B

The OJK is authorized to stipulate different Liquidation mechanisms and requirements due to the termination of business activities at the request of the Company.”

27. Provisions of Article 52 have been amended, so that it reads as follows:

“Article 52

- (1) Application for bankruptcy statement against the Company may only be submitted by the OJK.
- (2) Creditor, if based on its assessment shall consider that the Company meets the requirements to be declared bankrupt in accordance with provisions of laws and regulations, can submit an application to the OJK so that the OJK can apply for a declaration of the Company's bankruptcy to the commercial court.
- (3) The company cannot apply for a declaration of bankruptcy for itself.
- (4) The application as referred to in paragraph (1) shall be filed in writing in Indonesian language and signed by the Creditor or its proxies which containing at least:
 - a. the Creditor's identity, at least including the full name and address of the Creditor;
 - b. the name of the Company which is petitioned to be declared bankrupt by the commercial court;
 - c. description of the matters which become the basis of the application, which include:
 1. authority of the commercial court;
 2. the legal standing of the Creditors which containing a clear description of the rights of the Creditors to submit the application; and
 3. reasons of the application to declare bankrupt which is outlined clearly and in details; and
 - d. matters which are petitioned to be decided by the commercial court;
- (5) In addition to fulfill the provisions in paragraph (3), the application as referred to in paragraph (1) shall be completed with evidence containing the application to declare the Company's bankruptcy, which at least in the form of:
 - a. Creditors' proof of identity;
 - b. proof of letter or writings relating to the grounds of the application;
 - c. list of potential witnesses and/or experts which are accompanied by a brief statement of matters to explain which are related to the reasons of the application, and a statement of willing to attend the trial, in the event that the Creditors intend to call witnesses and/or experts; and
 - d. list of other evidence which may be in the form of information which is stored in or transmitted through electronic media, if it is deemed necessary.”

28. Provisions of paragraph (1) and paragraph (3) of Article 53 have been amended, so that they read as follows:

“Article 53

- (1) The application as referred to in Article 52 paragraph (1) shall be addressed to the Chair of Board of Commissioners of the OJK, with copies to the Chief Executive of the Supervision of Insurance, Guarantee, and Pension Funds.
- (2) The OJK shall examine the application including the evidence which is submitted by the Creditors.
- (3) If the application is not complete, the OJK will notify the Creditors about the completeness of the

application which must be fulfilled, and the Creditors must complete it within 10 (ten) Days at the latest since receiving the notification of the incomplete application.

- (4) If the completeness of the application is not satisfied within the time period as referred to in paragraph (3), the application shall be considered void and the OJK will subsequently return the application file to the Creditor."

29. Provisions of paragraph (1), paragraph (2) and paragraph (4) of Article 55 have been amended, so that they read as follows:

"Article 55

- (1) The OJK shall approve or reject the Creditor's application to apply for a declaration of bankruptcy of the Company to the commercial court by considering:
 - a. the fulfillment of the requirements to be declared bankrupt as regulated in provisions of laws and regulations;
 - b. the fulfillment of the requirements to submit the application as referred to in Article 52 paragraph (3);
 - c. the Company's financial ability to pay debts or liabilities;
 - d. the Company's business continuity;
 - e. the Company's monitoring status;
 - f. imposition of administrative sanctions against the Company; and
 - g. a specific condition.
- (2) In the event that the OJK rejects an application of the Creditor to submit an application for a declaration of bankruptcy of the Company as referred to in paragraph (1), the OJK shall deliver the rejection of the application in writing to the Creditors by stating the reasons of rejection.
- (3) In the event that the OJK rejects an application as referred to in paragraph (2), the OJK may:
 - a. suggest to the Creditors to resolve disputes with the Company through alternative dispute settlement institutions or civil court;
 - b. facilitate dispute resolution outside the court amicably; or
 - c. take other action which may help the dispute settlement.
- (4) In the event that the OJK approves an application of the Creditor to submit an application for a declaration of bankruptcy of the Company as referred to in paragraph (1), then the OJK shall immediately submit the application for a declaration of bankruptcy of the Company to the commercial court in accordance with provisions of laws and regulations.
- (5) The fee of application for a declaration of bankruptcy to the commercial court shall be covered by the Creditors."

30. Provision of paragraph (3) letter d of Article 57 has been amended, so that it reads as follows:

"Article 57

- (1) As long as the court ruling on the application for the declaration of bankruptcy has not been rendered, the OJK may submit application to the court to:
 - a. set foreclosure on part or all of the Company's properties; or

- b. appoint a temporary receiver to oversee:
 - 1. the Company's business management; and
 - 2. payments to Creditors, transfers, or collateralization of the properties of the Company in Bankruptcy, which are the authority of the receiver.
- (2) The receiver as referred to in paragraph (1) is:
 - a. the Property and Heritage Agency; or
 - b. other receivers.
- (3) In appointing receivers as referred to in paragraph (1) letter b, the OJK shall consider the following matters:
 - a. independent and have no conflict of interest;
 - b. have a special expertise in administering and/or settling bankruptcy estate;
 - c. currently not handling Bankruptcy case and postponement of debt payment obligations of more than three (3) cases;
 - d. understand provisions of laws and regulations in the insurance sector; and
 - e. registered at the ministry with scopes and responsibilities in the legal sector and laws and regulations."

31. Between CHAPTER IV and CHAPTER V, 1 (one) chapter is inserted, namely CHAPTER IVA, so that it reads as follows:

**"CHAPTER IVA
SUSPENSION OF DEBT PAYMENT OBLIGATION"**

32. Between Article 59 and Article 60, 4 (four) articles are inserted, namely Article 59A, Article 59B, Article 59C, and Article 59D, so that they read as follows:

"Article 59A

- (1) Application for Postponement of Debt Payment Obligation against a Company may only be submitted by the OJK.
- (2) Creditors based on their assessment that a Company meets the requirements for Postponement of Debt Payment Obligations in accordance with provisions of laws and regulations, may submit a request to the OJK for the OJK to submit a request for Postponement of Debt Payment Obligations of the relevant Company to the commercial court.
- (3) The Company may not submit an application for Postponement of Debt Payment Obligation for itself.
- (4) The application as referred to in paragraph (1) shall be submitted in writing in the Indonesian language and signed by the Creditor or its proxies which at least contain:
 - a. the identity of the Creditor, at least including the full name and address of the Creditor;
 - b. the name of the Company for which the Postponement of Debt Payment Obligations is requested by the commercial court;
 - c. description of the matter which is the basis of the application which includes:

1. the authority of the commercial court;
 2. legal standing of the Creditor which contains a clear description of the right of the Creditor to submit the petition; and
 3. reasons for the application for Postponement of Debt Payment Obligations are described clearly and in detail; and
- d. the matter that is applied for to be decided by the commercial court.
- (5) In addition to fulfilling the provisions in paragraph (4), the application as referred to in paragraph (1) shall be accompanied by evidence supporting the application for Postponement of Debt Payment Obligation of the Company, which shall at least be in the form of:
- a. proof of Creditor's identity;
 - b. evidence of letters or writings relating to the reasons for the application;
 - c. list of prospective witnesses and/or experts accompanied by a brief statement of matters to be explained related to the reason for the application, as well as a statement of willingness to attend the hearing, in the event that the Creditor intends to submit witnesses and/or experts; and
 - d. list of other evidence which may be in the form of information stored in or sent through electronic media, if deemed necessary.

Article 59B

- (1) The application as referred to in Article 59A paragraph (1) shall be addressed to the Chair of the Board of Commissioners of the OJK with a copy to the Chief Executive Officer of Insurance, Guarantee, and Pension Fund Supervision.
- (2) The OJK shall examine the application along with the evidence submitted by Creditor.
- (3) If the application is incomplete, the OJK shall notify the Creditor on the completeness of the application that must be fulfilled, and the Creditor must complete it within no later than 10 (ten) days since the notification letter is received.
- (4) If the completeness of the application is not fulfilled within the period as referred to in paragraph (3), the application shall be deemed void and thereafter the OJK shall return the application to the Creditor.

Article 59C

- (1) The OJK shall approve or reject the application to submit an application for the Postponement of Debt Payment Obligation of the Company at the latest 30 (thirty) days since the application is received in full.
- (2) Within the period as referred to in paragraph (1), the OJK may:
 - a. request information related to the application for Postponement of Debt Payment Obligation to Creditors, the Company requested for Postponement of Debt Payment Obligation, and/or other parties; and/or
 - b. conduct an examination of the Company.

Article 59D

- (1) The OJK shall approve or reject the application of Creditors to submit an application for Postponement of Debt Payment Obligation of a Company to the commercial court by considering:
 - a. fulfillment of the requirements for the Postponement of Debt Payment Obligation as stipulated in provisions of laws and regulations;
 - b. fulfillment of the requirements for the submission of application as referred to in Article 59A paragraph (4) and paragraph (5);
 - c. the Company's financial ability to pay debts or obligations;
 - d. the continuity of the Company's business;
 - e. the Company's supervisory status;
 - f. imposition of administrative sanctions against the Company; and
 - g. certain conditions.
- (2) In the event that the OJK rejects the application to submit an application for the Postponement of Debt Payment Obligation of the Company as referred to in paragraph (1), the OJK shall submit the rejection of such application in writing to the Creditors along with the reasons for the rejection.
- (3) In the event that the OJK rejects the application as referred to in paragraph (2), the OJK may:
 - a. suggest to the Creditor to settle the dispute with the Company through an alternative dispute resolution institution or civil court;
 - b. facilitate an amicable out-of-court dispute resolution; or
 - c. take other actions that may assist the settlement of the dispute.
- (4) In the event that the OJK approves the application for the Postponement of Debt Payment Obligation of the Company as referred to in paragraph (1), the OJK shall immediately submit the application for the Postponement of Debt Payment Obligation of the Company to the commercial court in accordance with provisions of laws and regulations.
- (5) The cost of the application for the Postponement of Debt Payment Obligation to the commercial court shall be borne by the Creditor."

33. Provisions of Article 60 have been amended, so that it reads as follows:

"Article 60

- (1) Any party who violates the provisions in Article 2 paragraph (1), Article 3 paragraph (1), Article 4 paragraph (1), paragraph (2), paragraph (4), paragraph (7), Article 7, Article 8 paragraph (2), paragraph (3), Article 12 paragraph (1), Article 15 paragraph (1), Article 22 paragraph (3), Article 23 paragraph (5), paragraph (6), Article 32 paragraph (4), paragraph (5), Article 38 paragraph (1), Article 39 paragraph (1), paragraph (2), Article 43 paragraph (1), Article 46 paragraph (2), paragraph (3), Article 47 paragraph (2), paragraph (3), paragraph (4), and Article 49 shall be subject to administrative sanctions in the form of:
 - a. written reprimand; and/or
 - b. prohibition of being a controller and shareholder, member of the board of directors, member of the board of commissioners, or the equivalent of a shareholder, member of the board of directors, and member of the board of commissioners in a cooperative legal entity or joint venture, sharia supervisory board, or holding an executive position under the board of directors, or the equivalent of an executive position under the board of directors in a cooperative legal entity or joint venture, in a Company.

- (2) Administrative sanctions as referred to in paragraph (1) may be imposed to parties that cause the violations.”

34. Between CHAPTER V and CHAPTER VI, 1 (one) chapter is inserted, namely CHAPTER VA, so that it reads as follows:

**“CHAPTER VA
MISCELLANEOUS PROVISIONS”**

35. Between Article 60 and Article 61, 5 (five) articles are inserted, namely Article 60A, Article 60B, Article 60C, Article 60D, and Article 60E, so that they read as follows:

Article 60A

In addition to the imposition of administrative sanctions as referred to in Article 60 paragraph (1), the OJK is authorized to conduct a reassessment of the key persons of a Company.

Article 60B

Upon the effective enforcement of Regulation of the Government on the organization of policy guarantee comes into force, arrangements on Dissolution and Liquidation for policy guarantee participants shall be implemented in accordance with the provisions in the Regulation of the Deposit Insurance Corporation.

Article 60C

In the event that a shareholder, member of the Board of Directors, member of the Board of Commissioners, or equivalent, is proven guilty of causing a Company to be declared bankrupt or having its business license revoked, the shareholder, member of the Board of Directors, member of the Board of Commissioners, or equivalent shall be added to the track record database of parties related to financial services institutions in the OJK system.

Article 60D

- (1) Company shall apply the principle of consumer protection in the implementation of Dissolution, Liquidation, Bankruptcy, and Postponement of Debt Payment Obligation in accordance with provisions of laws and regulations on the protection of consumers and the public in the financial services sector.
- (2) Mechanisms and procedures for the implementation of the principle of consumer protection as referred to in paragraph (1) shall be implemented in accordance with provisions of laws and regulations on the consumer protection and the public in the financial services sector.

Article 60E

The OJK based on certain considerations may provide approval or policy that is different from this Regulation of OJK.”

Article II

1. Upon the effective enforcement of this Regulation of the Financial Services Authority, all approvals of the Financial Services Authority that have been given in the implementation of the Dissolution and Liquidation process shall be declared to remain valid.
2. The implementation of the ongoing Dissolution and Liquidation process shall be continued by following the provisions in this Regulation of the Financial Services Authority.
3. This Regulation of the Financial Services Authority comes into force on the date of its promulgation.

For public cognizance, it is hereby ordered that this Regulation of the Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Established in Jakarta,

On 20 December 2024

THE CHAIRMAN OF THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICES AUTHORITY OF
THE REPUBLIC OF INDONESIA,

Signed.

MAHENDRA SIREGAR

Promulgated in Jakarta,

On 23 December 2024

THE MINISTER OF LAW OF THE REPUBLIC OF INDONESIA,

Signed.

SUPRATMAN ANDI AGTAS

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2024 NUMBER 50/OJK

**REGULATION OF THE FINANCIAL SERVICES AUTHORITY OF THE REPUBLIC OF INDONESIA
NUMBER 38 OF 2024**

ON

**THE AMENDMENT TO REGULATION OF THE FINANCIAL SERVICES AUTHORITY NUMBER
28/POJK.05/2015 ON DISSOLUTION, LIQUIDATION, AND BANKRUPTCY OF INSURANCE COMPANY,
SHARIA INSURANCE COMPANY, REINSURANCE COMPANY, AND SHARIA REINSURANCE COMPANY**

I. GENERAL

Arrangements on Dissolution, Liquidation, and Bankruptcy of Insurance Company, Sharia Insurance Company, Reinsurance Company, and Sharia Reinsurance Company were previously regulated in Regulation of the Financial Services Authority Number 28/POJK.05/2015 on Dissolution, Liquidation, and Bankruptcy of Insurance Company, Sharia Insurance Company, Reinsurance Company, and Sharia Reinsurance Company (Regulation of the OJK 28/2015).

In the application of the provisions of Regulation of the OJK 28/2015, there is a dispute over the position of decision of the OJK to dissolve a legal entity and form a Liquidation Team to be equated as a decision taken by RUPS. In addition, Regulation of the OJK 28/2015 needs to be harmonized with the provisions on Dissolution of legal entity applicable to other financial services sectors such as banking. The current practice of Liquidation implementation is still considered ineffective to resolve problems that arise during the Liquidation process. Therefore, it is necessary to make improvements to several provisions stipulated in Regulation of the OJK 28/2015.

This Regulation of the OJK is an improvement to Regulation of the OJK 28/2015 based on the mandate of Article 50 paragraph (1) and paragraph (2), Article 51 paragraph (4) of Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector. The improvements made shall include completing and emphasizing the provisions on the membership of the Liquidation Team, the use of guarantee funds in the Liquidation implementation, and the addition of provisions on the Postponement of Debt Payment Obligations.

II. ARTICLE BY ARTICLE

Article I

Number 1

Article 1

Self-explanatory.

Number 2

Article 4

Self-explanatory.

Number 3

Article 6

Paragraph (1)

This provision can be conducted by fulfilling one of the following conditions:

- a. RUPS cannot be organized;
- b. RUPS can be organized but fails to decide on the Dissolution and fails to form the Liquidation Team; or
- c. UPS can be organized and successfully decide on Dissolution but fails to form a Liquidation Team.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Provisions of laws and regulations shall include Regulation of the Financial Services Authority on the protection of consumers and the public in the financial services sector.

Letter d

Self-explanatory.

Paragraph (1a)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 4**Article 9**

Self-explanatory.

Number 5**Article 15**

Self-explanatory.

Number 6

Article 17

Paragraph (1)

Integrity requirements shall include:

- d. capable of performing legal acts;
- e. has good character and morals, at least indicated by complying with applicable regulations, including never being convicted of a criminal offense within the last 5 (five) years;
- f. has a commitment to comply with laws and regulations and support policy of the OJK.
- g. has a commitment to the development of a sound LJK; and
- h. not included as a party prohibited from becoming a Key Person.

Financial reputation requirements shall include:

- a. not having bad credit and/or financing; and
- b. has never been declared bankrupt and/or has never been a shareholder, controller of an insurance company who is not a shareholder, member of the Board of Directors, or member of the Board of Commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years.

Paragraph (2)

Self-explanatory.

Paragraph (2a)

Self-explanatory.

Paragraph (2b)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 7

Article 24

Paragraph (1)

"The rights of Policyholder, Insured, Participant, and other parties entitled to insurance/sharia insurance benefits" shall refer to the claims of Policyholder, Insured, Participant, and other parties entitled to insurance/sharia insurance benefits arising from the policy issued, including insurance claims.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Examples of other parties entitled to insurance/sharia insurance benefits are:

1. heirs for life insurance products; and
2. Insurance Company/Sharia Insurance Company as ceding in the event that the liquidated is a Reinsurance Company/Sharia Reinsurance Company.

Number 8

Article 25

Self-explanatory.

Number 9

Article 26

Paragraph (1)

Self-explanatory.

Paragraph (2)

Example of proportional payment calculation:

- the value of the Company's assets amounting to Rp10,000,000.00 (ten million rupiahs);
- the value of liabilities amounting to Rp50,000,000.00 (fifty million rupiahs);
- proportional calculation of 20% (twenty percent) is obtained from the value of assets after deducting other liabilities and then divided by the value of liabilities,

so that the calculation of liabilities to policyholders is as follows:

No.	Liability	Value of Liability	Paid Value (rupiah)
1	Premium refund	25.000.000	5.000.000
2	Claims that haven't been paid	10.000.000	2.000.000
3	Policy that is transferred to other company	15.000.000	3.000.000

Number 10

Article 27

Self-explanatory.

Number 11

Article 27A

Self-explanatory.

Number 12

Article 28

Paragraph (1)

Payment of the liabilities of Insurance Company and Sharia Insurance Company to Creditors shall be made in accordance with provisions of laws and regulations.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Included in invoices are, among others:

- a. payment bills to other parties;
- b. debts that have not been paid by the Company; or
- c. submission of claims from policyholders.

Paragraph (4)

Invoices submitted through the OJK shall be intended to facilitate the collection process, but OJK does not verify the invoices.

Paragraph (5)

“Authorized agency” is a court or other party authorized by law to block assets.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Number 13

Article 29

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Asset disbursement activities shall include asset disposal activity through an auction. In the event that the disposal of assets through an auction is not achieved, the disposal of assets may be carried out in private while taking into account the interests of the Policyholders, Insured, Participants, and other parties entitled to insurance/sharia insurance benefits, and the fairness of market price, and carried out based on provisions of laws and regulations.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Number 14

Article 34

Self-explanatory.

Number 15

Article 38

Self-explanatory.

Number 16

Article 39

Self-explanatory.

Number 17

Article 40

Self-explanatory.

Number 18

Article 41

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Other steps in accordance with the provisions of laws and regulations shall include settlement through the court.

Number 19

Self-explanatory.

Number 20

Self-explanatory.

Number 21

Article 42A

This provision is intended to ensure the actions of shareholders or the equivalent of shareholders in cooperative legal entity to be cooperative in the entire process of Liquidation implementation.

Number 22

Article 43

Self-explanatory.

Number 23

Article 46

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

Self-explanatory.

Letter b

“Letter” shall also include electronic mail.

Paragraph (4)

Self-explanatory.

Number 24

Article 49

Self-explanatory.

Number 25

Article 50

Self-explanatory.

Number 26

Article 50A

Self-explanatory.

Article 50B

Self-explanatory.

Number 27

Article 52

Self-explanatory.

Number 28

Article 53

Self-explanatory.

Number 29

Article 55

Paragraph (1)

Given that the Company collects public funds through insurance premiums, the Insurance Company carries the trust of the public, especially the Policyholders, Insured, or Participants who are relatively large in number. The trust of the Policyholders, Insured, or Participants and business actors really needs to be maintained so that it does not decrease or disappear. Efforts to restore public confidence are very costly for the economy, so it is very natural that bankruptcy efforts against the Company need to be carried out very carefully. Therefore, in deciding whether to approve or reject the Company's application for bankruptcy declaration, the OJK is not solely based on the fulfillment of the requirements for the existence of two or more Creditors and the non-payment of at least one debt that has fallen due and collectible, but also considers other matters, especially the condition of the Company.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

“Certain conditions” shall include:

1. the economic impact and public confidence that may arise as a result of the Company being declared bankrupt;
2. the Company is in a state of financial restructuring;
3. there are other alternative solutions; and
4. the OJK will revoke the Company's Business License.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 30

Article 57

Self-explanatory.

Number 31

Self-explanatory.

Number 32

Article 59A

Self-explanatory.

Article 59B

Paragraph (1)

Submission to the Chair of the Board of Commissioners of the OJK with a copy to the Chief Executive Officer for Supervision of Insurance, Guarantee and Pension Funds may be conducted in the form of printed or electronic media.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 59C

Self-explanatory.

Article 59D

Paragraph (1)

Given that the Company collects public funds through insurance premiums, the Insurance Company carries the trust of the public, especially the Policyholders, Insured, or Participants who are relatively large in number. The trust of the Policyholders, Insured, or Participants and business actors really needs to be maintained so that it does not decrease or disappear. Efforts to restore public confidence are very costly for the economy, so it is very natural that efforts to postpone Debt Payment Obligations against the Company need to be carried out very carefully. Therefore, in deciding to approve or reject the application for Postponement of Debt Payment Obligations of the Company, OJK is not solely based on the fulfillment of the requirements of Creditors estimating that the Company cannot continue to pay its debts that are due and collectible, but also considers other matters, especially the condition of the Company.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

“Certain conditions” shall include:

- 1.the economic impact and public confidence that may arise as a result of the Company being postponed from Debt Payment Obligation;
- 2.the Company is in a state of financial restructuring;
- 3.there are other alternative solutions; and
- 4.the OJK will revoke the Company's Business License.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 33

Article 60

Self-explanatory.

Number 34

Self-explanatory.

Number 35

Article 60A

Self-explanatory.

Article 60B

Self-explanatory.

Article 60C

Self-explanatory.

Article 60D

Self-explanatory.

Article 60E

The granting of approval or different policy is intended, among others, to:

- a. support national policy;
- b. safeguard the public interest;
- c. maintain industry growth; and/or
- d. maintain fair business competition.

Conditions that require certain considerations, among others, are due to extraordinary events that can result in a large increase in morbidity and mortality and also have an impact on the economy and social, so that they require attention and handling by all relevant parties and are regulated in other provisions for consideration in dealing with the possibility of extraordinary events.

Article II

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 118/OJK

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